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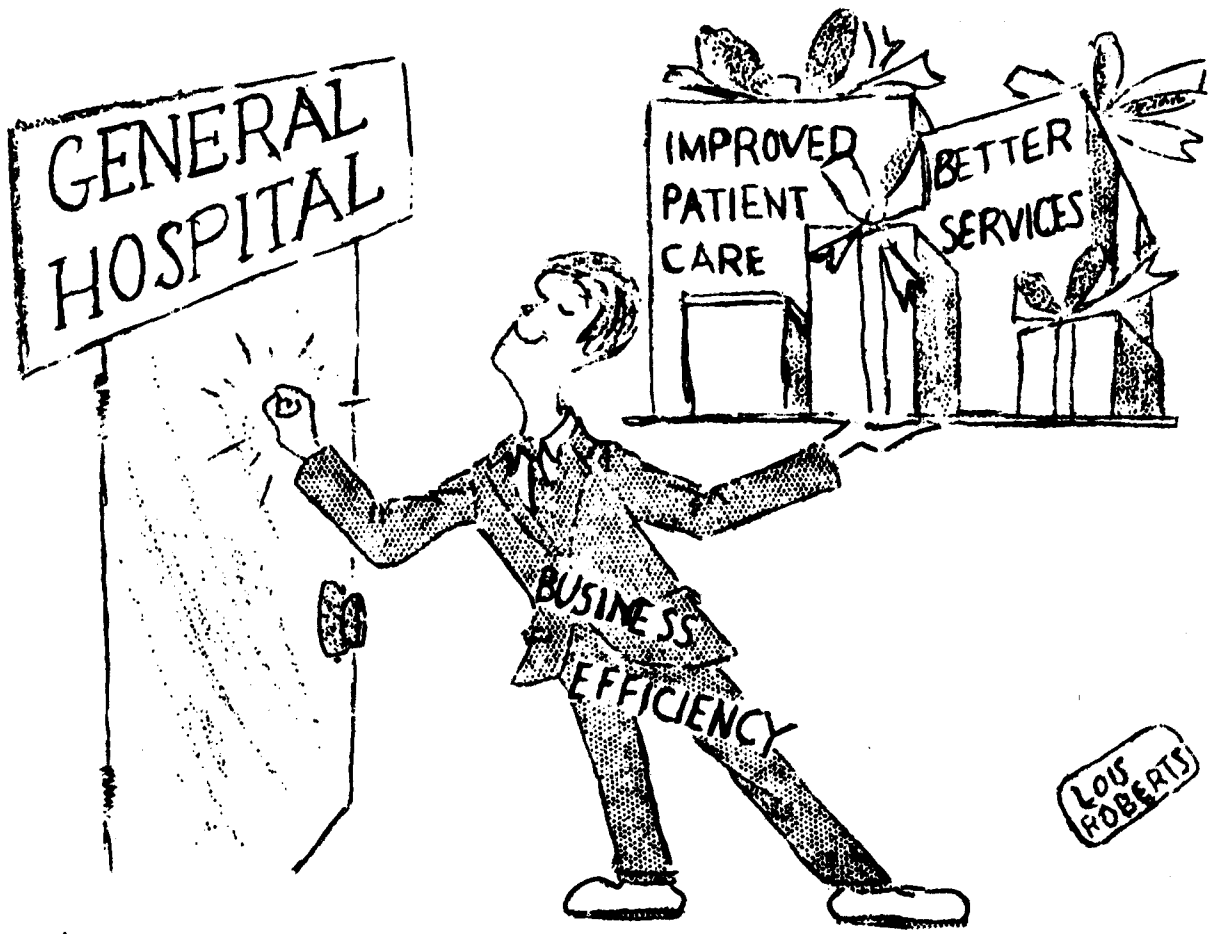

HEALTH CARE
PART II--PROFIT OR POVERTY?

Last month I suggested that the solution to the current hospital crisis was to find a section of society that could make an indirect profit from the very existence of improved hospital service. I further suggested that by this reasoning, the insurance industry would be the obvious investors in hospital management, but that government regulation prevented them from seriously moving into this field.

But there is another reason for failure to develop a profit-oriented health industry which is more fundamental than the specific restrictions of government in

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this field--more fundamental because it may be responsible for the entrance of government into the field in the first place.

A minority of hospitals now attempt to be profitable (1,022 out of a total of 6,306, according to the 1963 figures of the American Hospital Association). They struggle to stay alive, and they have a bad name. Medical care has traditionally been welfare-service oriented, and any suggestion to the contrary, and talk about profits, engenders strong moral opposition, both from the medical profession and from laymen.

Consider the anti-profit attitude exemplified by the following. A sign reading "Hospitals are Big Business" appeared on the bulletin board of St. Luke's Hospital, which is a private, nonprofit hospital in New York City. It evoked from a variety of professional workers who saw it such indignant remarks as, "Business! A hospital isn't a factory with assembly lines and mass production. Human beings can't be treated like bars of soap!" Or, "Hospitals aren't in business. Business is for making money, but hospitals are for taking care of the sick. It isn't right to make money out out of sickness!"

The sign was removed, and it was rumored that complaints had been made by members of the staff to the hospital administration offices.

The fundamental misunderstanding here is of how profits are made. Do farmers and grocers make money out of starvation? No. They profit from <u>feeding</u> people, just as a hospital profits most from keeping people alive and restoring them to health. If I am to make a profit out of health, this means that it is to my advantage to keep people healthy; what benefits the patient profits me. And the more efficient I am, the more it is to the advantage of the patient. The standard of efficiency in any business depends on the product, and one vital aspect of efficiency is quality control. If a factory that aims at producing marketable toasters will reject all the toasters that don't meet a certain quality standard, how much greater will high standards of quality play in a hospital where lack of quality can mean the difference between life and death.

The implication of the remarks made at St. Luke's was that profit can only be had at the price of quality; that personal gain can only be had at someone else's expense. If the doctor gains, the patient must suffer. And if the patient gains (his health, for instance), who then suffers? The implication is that it is in the nature of things for <u>someone</u> to suffer: maybe the doctor, maybe someone else. And this implication has consequences in practice.

Recently it was reported, both in the <u>Wall Street Journal</u> and <u>Good Housekeeping</u>, that the Sloan-Kettering Institute in New York City conducted an experiment in which 19 patients at Brooklyn's Jewish Chronic Disease Hospital (patients suffering from diseases other than cancer) were given skin injections of live cancer cells. The pur-

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pose was to test the diseased body's mechanism for rejecting foreign substances in the hope that an "anti-cancer" factor could be found. The patients' bodies did reject the cells as the doctors had expected, but they were not told that live cancer cells were being injected. Dr. D.B. Custodio, a Chronic Disease Hospital physician who administered most of the injections, said that each patient was told that they were being given an injection of a cell suspension which would create a temporary lump. According to William Hyman, an attorney and Chronic Disease Hospital director who objected strenuously and publicly, some of the patients were elderly, senile, and non-English-speaking. One of the facts brought out in the dispute which followed was that similar experiments had been carried out at other hospitals on some 275 patients, all apparently on the same basis; i.e., without informed consent.

An article in Good Housekeeping (October, 1965) reports that a group of typhoid fever patients in a hospital charity ward were denied chloramphenical (the known effective drug for typhoid) as part of an experiment, to compare their progress with that of persons who were given the drug. The result: 23 of those denied the drug died. Dr. Henry K. Beecher, professor at Harvard Medical School and chief anesthesiologist at Massachusetts General Hospital, is quoted as commenting, "The investigators, knowing full well the efficacy of chloramphenical in the treatment of typhoid fever, evidently believed they had the right to choose martyrs for science." (Italics mine.)

Several journalists attribute the actions of these and similar experimenters to their "idealism" or "humanitarianism." William Furlong, commenting on the subject in Good Housekeeping, says that some researchers excuse such practices because they will lead to relief of pain and the hazards of death from certain illnesses. "Their fault is not avarice or malice but a zeal which blinds them to the transcendent right of the individual."

If this is what happens when the interests of the group seem to come in conflict with the rights of the individual, what happens when there isn't enough medical help to go around? Which of whose needs get priority?

Should a frozen section of that small lump in one person's breast (to check for possible malignancy) be made before someone else's appendectomy?

One sees the beginnings already of a rather chilling debate in the U.S. over who should get priority in medicine. Objecting to the recently passed $350 million federal program to establish a national grid of centers for diagnosis and treatment of heart disease, cancer, and stroke, Jean Meyer argues in a New York Times Magazine article (November 28) that "we have reached . . . a point at which we must make a crucial choice. . . ." The choice is between the preventative and curative approaches to medicine. The debate is chilling because of the implication that concentration in one area requires the sacrifice of the other. "It is obvious," Jean Meyer says, "that saving a baby from dying has a much greater impact on life expectancy than

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'curing' 10 strokes. . . ." Why must we either cure the strokes or save the baby?

The medical services that proclaim most loudly the necessity of providing medical services for all, no matter what the cost or sacrifice, and that attack the profit motive in medicine most harshly are, of course, the medical services that are run by government--so-called "socialized" medical services. Let us therefore consider an example from England's National Health Service, which indicates the non-profit, "humanitarian" way of dealing with time and labor shortages. This is an incident which was related to Persuasion's editor as a first-hand account by a friend. It happened several years ago, long before the recent threatened strike by British doctors. In a London hospital, the policy for patients scheduled for non-emergency operations was as follows: The patient reported to the hospital, was put in a row of other patients, and was anesthetized. The surgeons operated on as many of them as time permitted. Those left over were awakened and sent home to return the following day and go through the same process--hopefully to be gotten to the second time.

Perhaps I should mention that it is generally considered in the medical profession that one of the biggest risks in any operation is the process of anesthetizing and the difficulty of predicting with certainty how the patient will respond to it.

Additional evidence from Britain supports the observation that alarmingly careless and negligent practices are resorted to as socialized medicine becomes entrenched. For example, in the July issue of Persuasion, mention was made of a study which was reported both in the New York Herald Tribune of March 4, 1965, and in the Wall Street Journal. The Wall Street Journal reported that eight prominent British doctors, including Queen Elizabeth's physician, had found on investigation that "a majority of Britain's hospitals were a menace to health. More than 75 of the 37 they toured didn't sterilize surgical instruments correctly, they said, and many hospitals were crowded and improperly ventilated."

In light of these examples, let us ask--is it profit-making that leads to dehumanization and assembly-line methods in medicine? Or is it time to put medicine firmly in the marketplace, where an unmet need indicates a bigger profit-potential and the problem is how to fill it?

Imagine a hospital really making money! Able to offer higher wages to their employees, hospitals would become competitive with other highly paid businesses as well as with each other--thus attracting new people into the field and keeping more personnel. With more prospective employees to choose from, hospitals could also become more selective in whom they hired. With more personnel available to cover nights, weekends, and holidays, any individual nurse would find herself less frequently assigned to these unpopular shifts, and there would be more opportunity to find people who prefer these shifts. Thus staffing problems, one of the giant headaches of present-day hospital administrators, would be considerably minimized.

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Further, it would be to the self-interest of a profit-seeking hospital to help solve its own labor shortage problems by contributing to and instituting educational programs. And with more nurses available, there would be more time for learning on the job, both for graduate nurses and student nurses. This would alleviate one of the constant (and justifiable) complaints of nursing educators--that student nurses are too often treated primarily as laborers rather than as learners.

One of the contradictions of the present medical situation in this country is that we are witnessing enormous advances in medical technology (a field where profits are now to be made). Drug companies are underwriting research programs. Medical scientists are learning to replace man's natural organs with artificial ones, to keep damaged hearts beating with electronic pacemakers, and to cure infectious diseases overnight with miracle drugs. There is at present a contrast between medical knowledge and its application, but with a system of profitable hospitals expanding to meet the market, not only the number of hospitals would increase but also the amount and variety of equipment to fill them would proliferate under the stimulus. The resulting increased competition in the entire hospital supply field would result not only in lower prices and cost-cutting for hospitals but also in a wider variety of supplies and equipment.

Aside from the proliferation of medical technology and of nursing time-savers, it is easy to imagine the accelerated development of "patient-comfort devices." Almost anyone who has spent time in a hospital bed has thought of or at least wished for a better bedpan. Hospital supply firms are even now investigating disposable plastic bedpans and plastic sheets that "breathe."

Another recent time- and money-saving trend in hospital management which greatly enhances standards for patient care is the concentration of hospital facilities in one area designed to accommodate the specialized needs of patients. This means that, rather than the haphazard scattering of severely ill patients throughout a hospital, one would have "intensive-care units" combining in one area the specialized equipment and skilled personnel with those patients who need constant attention. A hospital which could not afford to own three or four electronic heart resuscitators to be at the bedside of patients with critical heart conditions can afford to put all four patients near one machine. Similarly, one nurse can give intensive care to three severely ill patients in the same place, but three nurses are required if they are scattered throughout the hospital. Thus, intensive-care units mean that fewer personnel and less equipment are required to accomplish the same job.

Also, the intensive-care unit, by absorbing the time-consuming, critically ill patient, releases nursing time all over the hospital for those patients who are less ill. Again, time as well as labor required to move equipment from one part of the hospital to another is greatly reduced. And time saved in a hospital can mean a life saved.

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Further, nurses who work in intensive-care units acquire experience and skills in handling emergencies and working with complex medical equipment. Some hospitals offer in-service training programs for employees in such areas. The challenge of meeting the complex nursing and medical problems involved in caring for the critically ill as well as the satisfaction of being able to give complete nursing care tends to attract and to keep some of the best nurses.

I have seen these advantages in practice at the intensive-care units in St. Luke's Hospital in New York City.

Another possibility, utilizing the same efficiency principle, is the establishment of "ambulatory-care units." These units would be designed to house patients who are able to be up and about and care for themselves to a great degree but who have a special kind of nursing need--health-teaching. For example, a diabetic patient who requires hospitalization for the regulation of his insulin and diet also needs to learn to care for himself when he returns home. Nursing time and skill is required to teach him to sterilize his needle and syringe, administer his own injection, and to recognize signs of shock or impending insulin reaction. A patient who has had a limb amputated and is learning to walk with a brace or a prosthesis would also be a candidate for a unit like this. I understand that Montefiore Hospital in New York City has such a unit which includes a dining room for these patients.

Managing a hospital in this way benefits employers, employees, and patients. And in a profit-oriented hospital which could attract administrators who had efficiency as their guiding principle, one would expect an acceleration of this trend.

It follows that better medical facilities in general mean better medical facilities for the poor. The donations of private charity, instead of being drained for fundamental maintainance, would be earmarked to improve charity clinic facilities. Also, with hospitals lowering prices to encompass a wider market, it is quite conceivable that many of those now considered medically indigent will be able to afford at least some portion of their care. The medical profession today has a well-worked-out system whereby interns in medicine get much needed experience by treating charity patients under supervision--under a profit system which resulted in a shortening of interns' hours and perhaps an expansion of ambulance service, the ward patient's lot would be dramatically improved.

What happens to patients under these conditions? It follows, of course, that the quality and amount of attention they receive will improve with the quality and amount of personnel and facilities available. Consider the differences in price and service between the present hotel (which is run for profit) and the present hospital (which is generally not). Hospitals would be able to implement--more fully than now is imagined--a concept which is frequently given lip-service: "patient-centered care." What this means is that the organization and schedule of the institution revolves

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around the patient and not vice-versa.

The patient who prefers an evening to a morning bath could have it. At present, there is rarely enough staff to facilitate evening bathing and bed-changing. The patient who prefers to sleep late could do so and have a later breakfast. Some hospitals now have early and late breakfasts, but for the most part patients eat on the hospital's schedule. Not only could the patient have a wider choice of meal <u>times</u>, but he could also have a wider variety of food preferences. Many hospitals now distribute "selective" menus, including prescribed diets. The possibility of restaurant-type concessions affiliated with hospitals who could offer a variety of non-institution-tasting foods is appetizing.

Of course, such hospitals may well present the medical profession with a new hospital problem--convincing patients to leave when they are well!

Judith Kroeger, R.N.

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REVIEWS

A GET-CAPITALISTIC-QUICK SCHEME

Reclaiming the American Dream, by Richard C. Cornuelle, Random House, New York, 1965.

Concrete political issues as well as entire programs are the embodiment (expressed or unexpressed) of a political point of view, and ultimately of a political philosophy.

The conclusion expressed by Barry Goldwater after his 1964 defeat, when he announced the formation of the Free Society Association, was that he had been wrong in assuming that the majority of the voters in this country shared in any simple way the political philosophy he had been advocating--either they agreed with a contrary philosophy, or they did not recognize the embodiment of their philosophy when they were presented with it. He therefore decided that before political activism would be appropriate, fundamental political education was necessary. And he was right to draw this conclusion.

To advocate fundamental political change successfully in a Republic, you must convince a voting majority of the people of two things: that your political philosophy is right, and that it is possible. In other words, you must explain to the electorate both what your theory would be in area after area, and how you would put this theory into practice. It takes time to do this.

Some students of laissez-faire capitalism become impatient with the time it takes, and are tempted to search for some get-capitalistic-quick shortcut which will bypass the necessity for the inexorable process of spreading new political ideas. Such students may very well be attracted to this book.

The author himself was once a student of Ludwig von Mises, "who is still a good friend," according to the biographical information on the jacket. His position now differs sharply from the totally laissez-faire approach of von Mises. He calls himself a "conservative," and his approach was the subject of an article in Look magazine (December 29, 1964) under the title "A New Conservative Manifesto."

But what has entranced Mr. Cornuelle is the idea of action now, of uniting liberals and conservatives behind a common program, and he appears willing to abandon theory which does not serve this purpose: "This one-sided system [of the government's] of gathering evidence might be all right if Americans had some sure way to decide what government should and should not do. But we have no such demarcation line in our political thought; we never have had one. . . . Some people preach ideology at us, but few voters are moved by these arguments: abstractions make us uncomfortable." (p. 73)

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The abstraction that makes Mr. Cornuelle most uncomfortable is apparently the concept of rights, which is of course the demarcation line of "what government should and should not do." It is a concept which he avoids discussing, although he does deal in abstractions: economic abstractions.

Mr. Cornuelle sees the conflict between the conservative and liberal wings of American politics as a deadlock between equally valid ideals of freedom and humanity, and sees both groups doomed to frustration, as things now stand. "Both the left and the right are abandoning their idealism," he writes. "Their fringe groups angrily kick the machinery. Their 'responsible' leaders are deciding to muddle through a basically hopeless situation. And the American dream fades." (p. 5)

Mr. Cornuelle's solution to this dilemma is to quarrel with the division of economic life into two sectors, the public sector (government) and the private sector (commerce). He cites (p. 27) Alexis de Tocqueville as having identified as our most remarkable feature the "associations" which Americans formed "to give entertainments, to found seminaries, to build inns, to construct churches, to diffuse books, to send missionaries to the antipodes." (Quoted from Democracy in America, Vol. II, Chapter V.) These associations make up what Mr. Cornuelle wishes to call the "independent sector," which is comprised of all of those organizations that provide services not directly commercial--schools, hospitals, private welfare agencies, the Red Cross, etc. Traditionally, according to Mr. Cornuelle, Americans solved their problems through this "independent sector," but the area of social problems has been preempted more and more by government in the twentieth century.

Why? Because as a group these organizations function erratically. Some of them operate brilliantly; others are almost incredibly inefficient. There was a time, says Mr. Cornuelle, when we didn't know how the private sector worked, and it was therefore inefficient. Adam Smith in the Wealth of Nations "told the world clearly and comprehensively what made commerce work. . . . Once men understood Smith's principle, they could deliberately shape public and private policy to work with the grain of economic principle rather than across it." (p. 48) The principle, of course, is the profit motive.

Today, says Mr. Cornuelle, "the independent sector stands about where the commercial sector stood in the centuries before we knew why it worked. Its performance is uneven because it works by accident." (p. 49) He proposes to indicate how it works, and therefore to restore (with the help of liberals and conservatives) its vitality in the American economy and reduce the encroachment of government.

According to Mr. Cornuelle's view, each of the three sectors has both a driving force that motivates people to enter it, and a restraining force which disciplines it. The driving force in the commercial sector is profit; the restraining force is competition. The driving force in the government sector is "the desire for power" (p. 55); he does not specify the restraining force, but presumably it is the ability of the

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populace to rebel. In the independent sector, the driving force is what? The desire to serve others, answers Mr. Cornuelle, and he devotes an entire chapter to trying to establish that such a driving force exists. And what disciplines the independent sector, as competition disciplines the commercial sector? Competition also, says Mr. Cornuelle. "The independent sector has a natural competitor: government. Both sectors operate in the same industry: public service and welfare. . . . The quality of life in the U.S. now depends largely on the revival of a lively competition between these two natural contenders for public responsibility. The struggle would enhance the effectiveness of both." (p. 66)

Let us examine some of the most obvious objections to this idea. Before even considering what kind of practice would spring from such a theory, what is the theory itself saying? Mr. Cornuelle's whole reason for postulating the third or independent sector of the economy is to make a distinction between certain enterprises motivated by "the desire to serve," and others motivated by profit. But competition is an offshoot of the profit system, it is not a prerequisite for it. Because men work for profit, they compete whenever they see a chance of making a profit. The absence of competition does not indicate inefficiency in a free market situation; it is more likely to be a sign of such superior efficiency that competition would not be profitable. Nor does the fact that competition is engendered by the profit motive mean that anytime two parties compete, profit must accrue to one of them--both parties may fail. It is not, therefore, competition that ensures commercial efficiency--it is the failure of the inefficient which results from competition.

Failure results, in the commercial sector, from consistently not making a profit. But suppose one of the parties in a competition cannot fail, because it has unlimited funds at its disposal--suppose we now, in other words, consider competing with the government. An independent institution in such a competition could fail. But it couldn't succeed (in the sense of causing its inefficient competition to fail), and therefore competition under such circumstances will not increase efficiency. So we see that an analysis of Mr. Cornuelle's discussion of the independent sector boils down to a statement that government competition can put independent organizations out of business. Which we all already knew.

Suppose you had to evaluate the following situation. One the one hand, non-governmental groups were performing unevenly but occasionally achieving phenomenal success in solving social problems. A private organization had almost totally wiped out a crippling disease, polio. A Negro slum in Indianapolis was rebuilt by its own slum-dwellers, organized by a man named Cleo Blackburn, who pulled together private financing, prefabricated housing techniques, and teams of unskilled labor. A company that started with five men in an unused garage grew in an astonishingly few years into a million dollar corporation--Abilities, Inc.--and did so while employing only workers so handicapped as to be considered unemployable elsewhere.

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On the other hand, the government was rapidly expanding into these same public service areas, until the idea was being promoted by many private foundations and associations that it was wrong to compete with government welfare--that private charity and community services should ideally spotlight the areas which government could enter next. At the same time, the government was using many techniques to downgrade or even to drive out of the field successful private groups who managed to survive in this unfriendly atmosphere because of their superior performance.

Would you conclude, as the author of this book does, that the reason private community service is so often inefficiently run is because we have not recognized that government is the "natural competitor" of such private services? And that recognition of this "fact" would provide the private groups with the incentive they need to become more efficient? Or would you consider such a "competition" more in the nature of a gambling game in which all the odds are with the house and the dice are loaded?

What happens in fact, when those motivated by "the desire to serve" compete with those motivated by "the desire for power"? Consider the following statements, all from Mr. Cornuelle's book. The independent sector "cannot use government figures," (p. 95) "I began to study Congressional hearings. On the average, 95 per cent of all testimony supports the growth of government. Very often, 100 per cent of the testimony supports what the executive branch proposes." (p. 72) "There is virtually no limit on the bureaucracy's access to Congress. But independent institutions, if tax-exempt, cannot legally appear before Congress in pursuit of new responsibility or to beg that responsibility not be wrested from them." (p. 105) "Government tends to claim that independent resources are inadequate and then makes them more inadequate by high taxes. Every tax dollar is a dollar which might have been available to the independent sector. The government should not be permitted to preempt the nation's money and then to criticize the consequences." (p. 163) "In eighteenth-century France, the government in fact outlawed independent action. . . . Already in America, government is tightening its grip on the independent sector. It is challenging the tax-exempt status of foundations, making new efforts to 'regulate' almost all private groups. An independent sector 'regulated' by its competition has, at best, an uphill fight on its hands." (p. 151) And, in discussing the struggle of his own organization, The United Student Aid Funds, "The final chapters of this story aren't yet written. The Office of Education may persuade Congress we are incompetent. Some combination of federal programs may displace our program." (p. 88)

A careful reading of just some of these examples would lead one to the conclusion that as a competitor the government doesn't play fair. But Mr. Cornuelle nevertheless deals with the justice of the situation in a parenthesis: "As we have seen, policy is the complex, mixed, often contradictory result of a competition for public responsibility. . . . The permanent bureaucracy's role is clear. They are in the race. (It's tempting, but vain to moralize about whether they should or should not be. They just are.)" (p. 154)

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I would like to suggest, as a guidepost for a final evaluation of this book, a diametrically opposed statement by Mr. Cornuelle's former teacher, Ludwig von Mises. "The issue is always the same: the government or the market. There is no third solution." (Planned Chaos, New York: Foundation for Economic Education, 1961, p. 28) What is being suggested by Mr. Cornuelle, and what is being enthusiastically hailed by such political leaders as Governor Romney, Richard M. Nixon, and William F. Buckley, Jr., is a way to make a mixed economy work. If one postulates, as Mr. Cornuelle does, that Americans have "a locked-up desire to serve," why then, government intervention will not be able to totally wreck the economy so long as service organizations can be persuaded to accept any difficulties that government puts in their way as just good, clean competition.

The tragic and dangerous thing is that Mr. Cornuelle's approach is being taken so seriously. Richard Nixon says, "At a time when we desperately need fresh ideas, Dick Cornuelle has given us a bold new approach to American affairs." T. George Harris, Senior Editor of Look, wrote, "Out of the Conservative ferment, one little-known man has begun to draw a nourishing stream of ideas. As old as the country and as new as today's rediscovery, his thought reaches the core of the protest, but earns the respect of any liberal who comprehends it. The man is Richard C. Cornuelle." He is a consultant for the National Association of Manufacturers, and Governor Romney summoned him to a meeting with his entire gubernatorial staff in Lansing, shortly after the Look article appeared.

Republican politicians and businessmen seem to be the two groups most impressed with Mr. Cornuelle's idea, and it is easy to see why. Politicians want to win, and need a basis on which to unite a divided party. And businessmen, increasingly caught between government regulation and government patronage, are only too delighted to envision the decreasing of the government sphere without the necessity of their offending anyone. Unfortunately, only the twin concepts of justice and of rights can arm those who are threatened by government power. Being men of action, rather than theoreticians, businessmen are impressed by Mr. Cornuelle's practice in setting up organizations to provide services which are more efficient than government ones; and his practice is interesting as far as it goes. But it is hopelessly undermined by his theory.

If one agrees with von Mises that there is no third alternative possible, that it is the government or the market and that private welfare organizations are therefore part of the marketplace, one of the problems that Mr. Cornuelle raises still remains. Why are so many of these associations run so inefficiently?

I suggest it is precisely because it has not been recognized that they are and should be part of the marketplace; and that in the whole area known as welfare, the very concept of selfless service (upon which Mr. Cornuelle hopes to build so much)

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must be challenged. The problem of social services is the problem of how to tie them properly to profit-making, and it is a problem that has not been worked out in many areas.

But the approach is there. Notice the associations that de Tocqueville is quoted as listing--who nowadays considers the building of inns as a social service, rather than a business venture? Yet it was once so considered. Mr. Cornuelle himself knows better than his theory. "As a nation grows richer, services which the independent sector once had to supply can be supplied commercially. As their incomes rise, people can pay for more of the services they need. Independent groups should be eager to pass responsibility to the commercial sector and to put their own activities on a business basis. People don't resist paying for things they need. Yet we keep wasting money on services the users should pay for. Independent groups now fight to governmentalize their work; they should look for ways to commercialize it. They've been pushing responsibility the wrong way." (p. 132)

In this issue of Persuasion, Judith Kroeger is examining what could happen if profit-oriented people ran hospitals. Mr. Cornuelle gives an example of what he calls "commercial welfare" in the health-care field. "The Foundation I direct had for several months been planning to develop a national chain of low-cost nursing homes. We studied in particular the methods of Holiday Inns, the very successful motel franchise, thinking that if nonprofit organizations could imitate their methods, we could provide nursing home care at very low cost." What happened? He read in the Wall Street Journal that Holiday Inns were planning the same project. "We had hoped, with our 'welfare' project, to get the price-per-resident down to a rock-bottom $250 a month. Holiday Inns' probable price: $250 a month. . . . The commercial entry into this badly needed public service reduced our role to a fraction of what I had expected it to be." (p.114)

Businessmen have learned that wherever there is a need, there is a potential profit. If we can see that where there is a problem there is a potential profit, then the solution of problems becomes one of finding the people who would profit from a solution. This always includes the person who has the problem. Mr. Cornuelle states, "The real problem has been the public's inability to see anything but government as the instrument for deliberate, nonprofit betterment of the society." (p.111) He is wrong. The real problem is the public's inability to see that "nonprofit betterment" is a contradiction in terms. The society isn't bettered until a way has been found to make a profit from a problem--the problem is merely temporarily alleviated. Were societies better off in the days when the ruler distributed grain in times of famine than in the days of the A & P? Were societies better off when churches and monasteries were the only lodging available to the traveler, rather than hotels and motels?

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Wherever it can be invoked, the profit motive improves efficiency of service and does in fact better society. Not least, it protects the individual who needs the service. He does not, in a market situation, have to depend on anyone else's good will or morality. The very nature of the market corrects the inefficient and the malevolent.

If we want a good society and a humane society, as well as a free society, we must move more and more in the direction of tying welfare services to the marketplace. We must illustrate over and over again that substantial profits can only be made by providing real value, and that the profit system is the only real insurance of service.

In this important task, Mr. Cormuelle is getting in the way. Just as profits are not made by get-rich-quick schemes, so prophets are not made by get-capitalistic-quick schemes.

--Joan Kennedy Taylor

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